

Heating Assistance Denials For Limited Heating Points

The Low-Income Home Energy Assistance Act of 1981, tasks the state with providing benefits to our most vulnerable residents with the highest energy burden. The Act defines energy burden as “the expenditures of a household for home energy divided by the income of the household members.” This philosophy is further supported in State regulations, 7 AAC 44.080 (l), which states “households with heating points determined under (a)-(k) of this section to be less than 2.0 are not eligible.”

To accomplish this we use a point system to determine who has the highest need. The variables we look at are:

- The community a person resides in,
- The cost of fuel in that community,
- The size of the dwelling they have to heat,
- Income and family size, and
- Whether not a person 60 years of age or older, under six years of age, or who is disabled lives in the home.
- The household also must have at least \$200 a year in out-of-pocket heating costs to qualify.

On the following pages of this document we provide you with a step-to-step guide on how we determine eligibility and benefits, along with several examples, for your information and use.

If an applicant does not have at least 2 points after their benefit is calculated, they will be denied a benefit because they do not have enough points. The only way they may qualify is if they move or have a reduction in income sufficient enough to bring the benefit calculation up to more than 2 points.

Minimum Heating Costs

Per state regulations 7 AAC 44.040(a)(3) one of the eligibility requirements for the program is that a “household’s annual unsubsidized home heating costs exceed \$200.” Most frequently this impacts people living in subsidized housing who pay for their heat and receive a utility allowance as part of their subsidy. These clients must have out-of-pocket costs, above their utility allowance, for home heating in order to qualify.

The other group this impacts are households who heat with wood. In the past we have allowed applicants to submit one wood receipt, regardless of the amount on the receipt, to show they purchase wood from a vendor. In order to bring the program in alignment with our regulations, wood heat customers will now have to show receipts totaling at least \$200 a year in purchases to qualify.

FY 2016 Heating Assistance Benefit Computation

Step 1 – Community fuel points

The division has assigned heating cost points to each community in the state, based upon the community's annual fuel cost and climatic conditions.

- If the household uses natural gas and another fuel type for heat, the division will use the community heating cost points for natural gas.
- If the household uses self-harvested wood or coal for heat, the division will use the community heating cost points for oil multiplied by 0.5.
- If the household uses purchased wood or coal for heat, the division will use the community heating cost points for oil multiplied by 0.8.

Step 2 – Dwelling type

The division will multiply the community heating cost points by the first one of the following factors that describes the household's dwelling. If more than one factor applies, the division will use the factor listed first:

- (0) the factor of 1 if the household resides in a two-bedroom single family home;
- (1) the factor of 1.4 if the household resides in a mobile home with heated living space of 980 square feet or more;
- (2) the factor of 0.4 if the household resides in a travel trailer or mobile home with heated living space less than 980 square feet, or in an RV, tent or pickup camper;
- (3) the factor of 0.15 if the household resides in a one-room dwelling such as a studio apartment, hotel or boarding home;
- (4) the factor of 0.35 if the household resides on a boat;
- (5) the factor of 0.55 if the household resides in a one-bedroom dwelling, or a one-room house or cabin without bedrooms;
- (6) the factor of 1.3 if the household resides in a three-or-more-bedroom single family, duplex or triplex home;
- (7) the factor of 0.7 if the household resides in a two-bedroom unit in an apartment building of four or more attached units.

If the household resides in a single residence with one or more other households, the heating cost points are reduced to the household's proportionate share of the home heating expenses.

Step 3 – Household size and income

The division reviews and verifies each household's gross income for the month prior to application. Verification may be provided through: documentary evidence (wage stub, award letter, etc.); Division of Public Assistance and Department of Labor records; or impartial third parties such as fee agents, village council representatives, or social service agencies.

The division will assign each household the following percentage of heating cost points based upon the household's gross monthly income and family size, expressed as a percentage of the Alaska poverty level.

- 100 percent of points if the household's gross monthly income is no more than 25 percent of the Alaska poverty level;
- 90 percent of points if the household's gross monthly income is more than 25 percent but no more than 50 percent of the Alaska poverty level;
- 80 percent of points if the household's gross monthly income is more than 50 percent but no more than 75 percent of the Alaska poverty level;
- 70 percent of points if the household's gross monthly income is more than 75 percent but no more than 100 percent of the Alaska poverty level;
- 60 percent of points if the household's gross monthly income is more than 100 percent but no more than 125 percent of the Alaska poverty level;
- 50 percent of points if the household's gross monthly income is more than 125 percent of the Alaska poverty level but no more than the maximum allowable.

If the household's gross monthly income exceeds the maximum allowable poverty level the household is not eligible.

Step 4 – Priority groups

The division will add one point to the income adjusted heating cost points if the household includes one or more members 60 years of age or older, legally disabled, or under six years of age.

Step 5 – Round points

The division will round the final total heating cost points to the nearest whole number. The total heating cost points may not exceed 35 points.

Step 6 – Heating points of 2.0 or more

Households must have heating cost points of 2.0 or more before rounding to be eligible for heating assistance.

Step 7 – Multiply by the benefit rate to determine household benefit

The division will multiply by the FY 2016 benefit rate of \$130 per point to determine the amount of the household's heating assistance.

The amount of heating assistance may be reduced by the amount of the unpaid balance that the household owes the division for previously awarded heating assistance to which the household was not entitled. The division will use this method of recoupment of overpayments only if the household has not responded to the division's request for repayment or the household defaults on its repayment agreement.

EXAMPLES

The following examples illustrate how a household's heating assistance benefit is determined.

Example 1			Benefit calculation:
Step 1.	Community, Fuel	Anchorage, N Gas	5 points
Step 2.	Dwelling	3 bedroom house	5 points x 1.3 = 6.5 points
Step 3.	Household Size, Income	4, \$3,100	101-125% of poverty = 60% 6.5 points x 0.6 = 3.9 points
Step 4.	Household includes elderly, disabled or child under age 6	No	N/A
Step 5.	Heating points of 2.0 or more	Yes	3.9 points
Step 6.	Round points		Rounded = 4 points
Step 7.	Multiply by benefit rate		4 points x 130 = \$520

Example 2			Benefit calculation:
Step 1.	Community, Fuel	Fairbanks, Oil	10 points
Step 2.	Dwelling	2 bedrm, 4+unit bldg	10 points x 0.7 = 7 points
Step 3.	Household Size, Income	2, \$2,250	126-150% of poverty = 50% 7 points x 0.5 = 3.5 points
Step 4.	Household includes elderly, disabled or child under age 6	Yes	3.5 points + 1 = 4.5 points
Step 5.	Heating points of 2.0 or more	Yes	4.5 points
Step 6.	Round points		Rounded = 5 points
Step 7.	Multiply by benefit rate		5 points x \$130 = \$650

Example 3			Benefit calculation:
Step 1.	Community, Fuel	Savoonga, Oil	27 points
Step 2.	Dwelling	2 bedroom house	No adjustment
Step 3.	Household Size, Income	5, \$2,700	76-100% of poverty = 70% 27 points x 0.7 = 18.9 points
Step 4.	Household includes elderly, disabled or child under age 6	Yes	18.9 points + 1 = 19.9 points
Step 5.	Heating points of 2.0 or more	Yes	19.9 points
Step 6.	Round points		Rounded = 20 points
Step 7.	Multiply by benefit rate		20 points x \$130 = \$2,600

Example 4			Benefit calculation:
Step 1.	Community, Fuel	Anchorage, N Gas	5 points
Step 2.	Dwelling	Studio apartment	5 points x 0.15 = 0.75 points
Step 3.	Household Size, Income	1, \$1,600	126-150% of poverty = 50% .75 points x 0.5 = 0.375 points
Step 4.	Household includes elderly, disabled or child under age 6	No	N/A
Step 5.	Heating points of 2.0 or more	No	0.375 points = less than 1 point
Step 6.	Round points		N/A
Step 7.	Multiply by benefit rate		Ineligible